BOLIVIAN EPIDEMIOLOGICAL SHIELD AND SUPPORT FOR HEALTH-SECTOR REFORM

(BO-0115)

EXECUTIVE SUMMARY

BORROWER AND GUARANTOR:	Republic of Bolivia	
EXECUTING AGENCY:	Ministry of Health and Social Insurance	
AMOUNT AND SOURCE:	IDB (FSO):	US$45.0 million
	Borrower:	US$ 8.7 million
	Total:	US$53.7 million
FINANCIAL TERMS AND CONDITIONS:	Amortization period:	40 years
	Grace period:	10 years
	Disbursement period:	6 years
	Interest rate:	1% during grace period 2% thereafter
	Inspection and supervision:	1%
	Credit fee:	0.5%

OBJECTIVES: The program's objectives are to: (i) help lower mortality and morbidity in Bolivia associated with the leading risk factors (communicable diseases), and (ii) support the health-sector reform process by designing and implementing, as a pilot initiative, a family-centered primary health-care model as one vehicle for delivery of basic health insurance, to help reduce maternal and child mortality.

DESCRIPTION: The program has been divided into two components to pursue the above-listed objectives: (i) Bolivian epidemiological shield, and (ii) support for health-sector reform.

1. Bolivian epidemiological shield (US$40.5 million)

   a. Chagas' disease control, prevention, and treatment project (US$25.2 million)

   The project's aim is to take actions to halt vector-borne transmission of Chagas' disease and prevent this affliction by instituting controls for blood transfusions and identifying and treating infected children under 5 years of age. The project will be carried through in two stages. The first will combat vectoral transmission of this disease by fumigating about 700,000 homes, taking in the entire endemic area. The second stage will control reinfestation of residual foci, set in place a solid community surveillance system, and hand responsibility over to departments, districts, municipalities, and communities.

   During the first stage the project will fund the following activities: (i) training for health practitioners and officers and community leaders,

and research and surveys to make more and better information available on the presence of vectors by geographic area; (ii) purchase of insecticides; (iii) purchase of spraying equipment (sprayers and parts); (iv) purchase of drugs and medical supplies to diagnose and treat the disease in children under 5; (v) procurement of transportation equipment (vehicles and motorcycles, spares, fuel and lubricants); (vi) procurement of field and protective equipment; and (vii) mobilization of personnel and payment of household spraying teams. Slated for funding during the second stage are training, institution-strengthening, and development of organizational capacity of health services and communities for ongoing surveillance for Chagas' disease and to halt reinfestation.

b. Project to strengthen the National Epidemiological Surveillance System (US$15.3 million)

This project's main goals are to strengthen: (i) the National Health Information System and the flow of information needed for decision-making in the health sector; (ii) the national network of laboratories for early diagnosis and research into prevalent emerging and reemerging diseases; and (iii) the national blood-bank network, to eliminate the risk of contamination from blood-borne pathogens and ensure safe transfusions of blood and blood products.

The following activities are planned: (i) training of government, nongovernmental, and community health workers; (ii) integration of the local health sector with other public and private health agencies, in order to broaden coverage; (iii) development of information networks and provision of effective communication media (Internet, telephone, radiotelephone, etc.); (iv) implementation of epidemiological surveillance at the community level by way of grass-roots community and mega-municipal organizations, watch committees, and other organized community groups; (v) strengthening the laboratory network at the national, departmental, and district levels, as well as blood banks and transfusion centers, by purchasing equipment, instruments, and inputs required according to the complexity of treatment in each case, and development of internal and external quality assurance mechanisms; (vi) training of personnel and blood recipients and promotion of voluntary unpaid blood donation; and (vii) development of epidemiological surveillance, through a strategy of family-centered health-care delivery.

2. Support for health sector-reform (US$5.8 million)

a. Human-resources training (US$0.3 million)

The aim of this subcomponent is to develop human resources with the expertise to carry through the reform process. It will fund training courses in

health-sector management for staff of the MSPS, departmental governments, and health districts.

b. Studies for structuring of the reform (US$3.5 million)

The central focuses of study will be: (i) a strategy for health labor-force conversion and training; (ii) review of labor laws and legislation governing career service in the health sectors; (iii) institutional and functional analysis of the health sector, particularly of the MSPS as the sectoral policy-making body; (iv) public relations and information strategy; (v) funding and sustainability of the new system; (vi) revamping of social-security health services; and (vii) legal framework for health reform.

c. Pilot reform initiatives (US$2 million)

This subcomponent will fund pilot health-reform initiatives grounded in a family-centered care model. If these pilot projects are successful, the model can be replicated elsewhere in Bolivia, using new sources of funding.

ROLE OF THE PROJECT IN THE BANK'S COUNTRY AND SECTOR STRATEGY:

The Bank's primary strategy objective in Bolivia is to further the government's poverty-reduction effort, including support for initiatives to improve access to basic education and health services, sanitation, and housing. The strategy pursues three main lines of action: (i) economic growth and creation of opportunities; (ii) human capital development and access to basic social services; and (iii) support for governance and consolidation of the reforms. The proposed operation would directly pursue action line (ii) and would also contribute, through the reform component, to line (iii). The Bank's priorities for the health sector are posited upon increased public expenditure to overhaul the system, to develop a new care model that can improve health indicators, particularly for mothers and children, and reduce the currently high incidence of communicable diseases.

The program proposed here is concordant with that strategy, inasmuch as it would help broaden access to health care and thereby raise the standard of living of vulnerable groups, particularly women, children, and indigenous persons. It also would step up efforts to reduce communicable diseases in Bolivia, specifically by combating Chagas' disease and setting in place an epidemiological surveillance system. The program also would help lay the groundwork for more efficient allocation of public resources and streamlined service delivery, through support for health-sector reform with an emphasis on primary health care delivered via a family-centered model.

ENVIRONMENTAL AND SOCIAL REVIEW:

To strengthen the program's impact and maximize the benefits that would accrue to the different population segments, funding will be provided for staff training, environmental education, public information, and health promotion, with due regard to

ethnic, cultural, and gender variables in the target population and correct procedures for fumigation and application of chemicals, adhering to PAHO/WHO technical guidelines (paragraphs 4.17 and 4.18 of the proposal which follows).

BENEFITS: Bolivia is still at the first epidemiological-transition stage, i.e., the burden of disease is concentrated on endemic communicable diseases (chiefly Chagas' disease, malaria, and tuberculosis) which are preventable and controllable. The program will directly reduce mortality and morbidity from communicable diseases. Likewise, program actions to control the supply of blood and blood products will help block the transmission of diseases such as Chagas', hepatitis, HIV/AIDS, and others via blood transfusions, making for safer treatment in hospitals and other health-care establishments. The benefits expected from the epidemiological surveillance system and laboratory network will be quicker decision-making, a solid database for planning and evaluating the program, and early warning and control mechanisms to deal with outbreaks of disease.

The new health-care model to be developed will: (i) broaden coverage to take in the most vulnerable groups, particularly rural indigenous communities, and lower the risks associated with mother and child mortality and morbidity, and (ii) cut down on unnecessary referrals of patients to second- and third-level care, whereupon health services can operate more efficiently and effectively.

RISKS: Tendering and procurement: A large sum would be allocated under the epidemiological-shield component for the purchase of insecticides, drugs, and fumigating equipment and for blood banks and a public health laboratory. Traditionally, tendering processes in Bolivia are very protracted. Delays in tendering and purchasing of the aforementioned inputs and equipment could compromise the program's performance. To counter this risk it is proposed that the Pan American Health Organization (PAHO/WHO) purchase and oversee the acquisition of insecticides, critical supplies, and drugs to diagnose and treat Chagas' disease. That agency has the infrastructure and international experience to do so transparently and quickly, and to assure product quality. It is proposed that procurement of other inputs and equipment (transportation equipment, blood banks, laboratory, etc.) be done by the United Nations Development Programme (UNDP).

Institutional apparatus ill-equipped to implement the program and chart reforms. The MSPS does not have a pool of human resources qualified to implement this program and also lay the foundations for health reform as mapped out in Bolivia's strategic plan for its health sector. Accordingly, the guiding principle behind the program's organizational arrangement is the strengthening of the formal structure of the MSPS, building technical capacity within the directorates involved so they can carry through the activities falling to each. Program

funds thus will be used to set up core technical teams within the directorates to coordinate and execute the respective projects (with support from the current structures) in concert with their counterparts in the departments and districts.

A Program Coordinating Unit (PCU) will be set up to guide the program activities generally; it also will have the human resources needed to advise on the reform process. For the epidemiological-shield projects, the MSPS will receive technical advisory support from PAHO/WHO on logistics and operations, monitoring and evaluation, and management support. The MSPS will also have the services of UNDP to help administer and monitor the program.

SPECIAL CONTRACTUAL CONDITIONS:

The following would be **conditions precedent to the first disbursement**: (i) demonstration that agreements have been signed with PAHO/WHO (paragraph 3.1) and with the Ministry of Defense (paragraph 3.10); (ii) demonstration that six management contracts have been signed with departmental governments to start off the epidemiological-shield activities (paragraph 3.8), and that an agreement has ben signed with the Health Supplies Distribution Center (CEASS) for distribution of supplies, drugs, and insecticides (paragraph 3.6); and (iii) hiring of UNDP as a specialized agency to administer the program resources and purchase goods other than those covered under the proposed arrangement with PAHO/WHO (paragraph 3.3).

Special conditions in the program's implementation are: (i) municipalities will not be eligible to join the program until they have executed an agreement with the MSPS (paragraphs 3.29 and 3.30); (ii) before training courses in health management may be commissioned, the MSPS must submit to the Bank, for its approval, the proposed course curricula, selection criteria for participants, the final list of health professionals to be trained, and a short-list of Bolivian or international firms equipped to deliver the training (paragraph 3.26); and (iii) for purposes of instituting the program's follow-up and review mechanism, the contract will contain conditions to assure activities programming and monitoring and evaluation of program activities as agreed upon with the country (paragraphs 3.43 to 3.45).

POVERTY-TARGETING AND SOCIAL-SECTOR CLASSIFICATION:

Under the terms of the Eighth Replenishment document (AB-1704, paragraph 2.15), the proposed program qualifies as poverty-targeted, inasmuch as the improvements in government-delivered health services would target mainly the poor. According to paragraph 2.13 of that document, the program would classify as an operation in pursuit of social equity and poverty reduction.

EXCEPTIONS TO BANK POLICY:

See the section on procurement which follows.

PROCUREMENT:

As an exception to the requirement that consultants be selected through open calls for proposals, it is recommended that PAHO/WHO be engaged directly. That

agency would procure insecticides, supplies, and drugs using its `reimbursable procurement' mechanism, which is concordant with the Bank's rules and procedures (see paragraphs 3.32 to 3.34). Furthermore, it is recommended that UNDP be engaged for financial management of the program resources and to procure goods and services not covered under the PAHO/WHO arrangement. Both these proposed contracts satisfy the requirements in chapter GS-403 of the Bank's Procurement Manual (see paragraphs 3.35 to 3.37).

Consulting services, goods and related services (other than insecticides and drugs), and construction work would be contracted for and purchased following the Bank's procedures. International competitive bidding will be mandatory for purchases of goods and related services costing over US$250,000. Tendering for items below that threshold will be conducted in accordance with Bolivian law. Considering their low cost, construction contracts (for remodeling or adapting premises) will be let in accordance with local legislation (see paragraphs 3.36 and 3.37).